

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7023**

**BILL NUMBER:** HB 1904

**NOTE PREPARED:** Jan 13, 2003

**BILL AMENDED:**

**SUBJECT:** Noblesville Entertainment Facility Parking Tax.

**FIRST AUTHOR:** Rep. Richardson

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill allows Noblesville to impose a city entertainment facility parking tax of \$1 on each motor vehicle entering an event at a privately owned outdoor entertainment facility having a minimum capacity of 10,000 patrons. The bill requires the facility to collect and remit the parking tax monthly to the city as an agent for the city. The bill requires the city fiscal officer to establish an entertainment facility public infrastructure fund and deposit all revenue from the tax in the fund. The bill provides that the fund may be used only to pay: (1) the cost of constructing or improving public roads to improve access to the facility; (2) principal, interest, and other costs associated with bonds issued to pay for the construction or improvements; and (3) any access or connection fee imposed on the facility for access to the city's public sewer system. The bill requires collection of the tax: (1) during the first five calendar years following the adoption of the ordinance imposing the tax; or (2) until any bond or lease obligations incurred by the city to finance the road improvements are satisfied; whichever is later. The bill allows the city to adopt an ordinance to renew the tax for up to an additional five years, or until all bond or lease obligations are satisfied. The bill allows the city to impose the renewed tax in an amount of up to \$2 per vehicle if it invests at least \$4,000,000 in constructing additional public roads to improve access to the facility.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** *Summary:* Under the bill, any individual responsible for collecting the city entertainment facility parking tax that knowingly fails to collect or remit the tax to the city commits a Class D felony.

*Penalty:* A Class D felony is punishable by a prison term ranging from six months to three years or reduction

to Class A misdemeanor depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$25,087 in FY 2001. Individual facility expenditures ranged from \$18,520 to \$54,465. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually or \$5 daily per prisoner. The average length of stay in DOC facilities for all Class D felony offenders is approximately ten months.

**Explanation of State Revenues:** *Penalty:* If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class D felony is \$10,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures:** *Summary:* Under the bill, if the City of Noblesville adopts the city entertainment facility parking tax, the city fiscal officer would be required to establish the Entertainment Facility Public Infrastructure Fund (the Fund) to receive revenue from a \$1 tax per vehicle entering the Verizon Wireless Music Center (VWMC). The VWMC would be the primary collection agent of the tax.

*Penalty:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. The average cost per day is approximately \$44.

**Explanation of Local Revenues:** *Summary:* The city entertainment facility parking tax adopted on the VWMC could generate up to \$230,000 per year, based on approximately 230,000 vehicles parking in the facility per year. The tax could be used to fund the following: improvement of existing or new construction of roads into the VWMC, payment on bonds issued for roads into the VWMC, and payment of any access or connection fee to the city sewer. In the second half of the fifth calendar year of the tax's existence, the city may extend the tax for a further five years or until the city has satisfied any outstanding debt for these projects, whichever is later, if the following exists: further construction, or contracts to construct more roads into the VWMC, where total costs for the additional construction exceeds \$4 M. If the tax is extended in the fifth calendar year and all of the above conditions are met, the city fiscal body may increase the tax by up to \$1 per vehicle, not to exceed \$2, beginning in the sixth calendar year after the passage of the original ordinance.

*Background:* In 2002, the VWMC held 39 concerts with attendance estimated over 500,000 and approximately 250,000 vehicles parking at the facility.

*Penalty:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Department of Correction.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Mike Howard, Hamilton County Attorney, 317-773-4212; Hamilton County Convention and Visitors Bureau, [www.hccvb.org](http://www.hccvb.org); Indiana Sheriffs Association; Department of Correction.

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